(ii) Widows or terminally ill persons or disabled persons or persons aged 60 years or more or single women or single men with no family or societal support or assured means of subsistence.

(iii) All primitive tribal households.

**Closure of sugar mills in Uttar Pradesh**

†994. PROF. M.M. AGARWAL: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the number of sugar mills which have already been closed down in Uttar Pradesh alongwith the number of mills which are on the verge of closure;

(b) the outstanding arrears of sugarcane dues to be paid to the growers by both the closed mills as well as those still operating alongwith the reasons for non-payment thereof; and

(c) the policy adopted by Government in this regard in order to safeguard interests of the farmers?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) As per the information available in the Directorate of Sugar, nine sugar mills in Uttar Pradesh remained closed during the last five years sugar seasons. In addition twelve sugar mills remained closed for one or more seasons during the previous five sugar seasons.

(b) The total cane price arrears of sugar mills of Uttar Pradesh including closed ones, as on 31.10.2003 was Rs. 37849.06 lacs. The reasons for non-payment of dues may be inadequate generation/ availability of fund, high cost of production, inadequate sales realization, uneconomic size of the plant, old and obsolete plant & machinery etc.

(c) The responsibility for ensuring timely payment of cane price dues lies with the State Governments, which have necessary powers and field organizations to enforce such payments. The Central Government, on its part, besides writing to the Chief Ministers of

†Original notice of trie question was received in Hindi.

States from time to time for expeditious clearance of the same, has taken the following remedial measures to improve the financial health of domestic sugar industry with a view to enabling it to the cane price arrears:

(i) The Central Government reduced the levy obligation of domestic sugar factories from 40% to 10% w.e.f. 01.03.2002. This will enable the sugar factories to sell more sugar under free sale quota in the open market and thereby obtain better realization.

(ii) To restrict inflow of imported sugar in the country, the Central Government with effect from 09.02.2000, has increased the custom duty to 60% along with the existing countervailing duty of Rs. 8.50 per tonne.

(iii) The Central Government is pursuing a policy of encouraging stability and reasonable level of sugar prices in the domestic market through judicious realeases of free sale sugar quotas to enable the sugar factories to clear the cane price dues of the farmers.

(iv) The quantitative ceiling on export of sugar has been removed.

(v) A buffer stock of 20 lakh tonnes of sugar has been created for a period of one year from 18.12.2002 to 17.12.2003. This will enable the sugar mills to get a subsidy amount of Rs. 412 crore from the Sugar Development Fund. In addition an amount of Rs. 374 crores would be available from the banks to the mills on account of buffer stock. Thus, a total amount of Rs. 786 crores would be provided to the mills enabling them to clear the payment of cane price dues to the sugarcane growers.

(vi) In order to arrest decline in sugar prices, the Central Government *vide* notification No. 37 of 2003 dated 2.6.2003 amended the Essential Commodities Act, 1955 thereby restraining the sugar mills to approach courts for obtaining orders for sale of non levy sugar in the open market. By doing so, the open market prices of non-levy sugar reached a reasonable level which in turn improved the financial, health of sugar industry.

(vii) Government has amended the Sugar Development Fund Act, 1982 to enable it, *inter alia,* to utilise the SDF for defraying expenditure on internal transport/freight charges to the sugar factories on export shipments of sugar and neutralization of ocean freight disadvantage on exports.

(viii) Government has also decided to allow the reimbursement of handling and marketing charges at the rate of Rs. 500 per tonne on the export shipments.

(ix) The Central Government has approved One-Time Assistance for an amount of Rs. 678.06 crores to the States of Uttar Pradesh, Uttaranchal, Haryana, Punjab and Bihar to clear the cane price arrears of private sugar factories in respect of difference between the State Advised Price (SAP) and Statutory Minimum Price (SMP) of the 2002-2003 sugar season by way of a soft loan to the said State Governments at concessional rate of interest of 4% per annum with an initial moratorium of 3 years and repayable in 3 years.

The Government has also decided to extend assistance to non SAP States also by way of additional marketing borrowings to clear the cane price arrears of 2002-2003 sugar season.

**Arrears of sugarcane dues**

995. DR. AKHILESH DAS: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government have extended any Central assistance to different States to help clear arrears of sugarcane dues for 2002-03, if so, the aid extended during the last three months and how far the arrears for 2003-04 have been paid off, indicating the arrears, State-wise, as on the 1st April, 2003;

(b) the arrears of cane dues as on the 1st September, 2003, indicating the arrears in Uttar Pradesh, the Central aid sought by the State Government and the arrears still outstanding; and